

Current Allocation of Legal Expense Concerning the RPMWC Suit

IDA pays 45% of the legal expense in the operating budget under the current General & Administrative cost apportionment. In addition, IDA pays 70% of Yuima's portion of the legal expense in the operating budget on the rate.

Using \$1,117,302 as the projected legal expense the allocation to Yuima and IDA is as follows:

Yuima's portion $\$1,117,302 \times 55.1\% = \$ 615,364$

IDA's portion $\$1,117,302 \times 44.9\% = \$ 501,938$ **plus** IDA buys 70% of Yuima's sales

IDA's additional portion on the rate or $\$ 615,364 \times 70\% = \$430,754$.

Under the current allocation IDA will pay **\$932,692 or 83%** of the total legal expense.

Background

IDA pays General & Administrative expenses based on a 3 factor formula; *Number of Customers, % of direct hours worked in each district and the value of Utility Plant*. On average IDA pays 46% of the G&A expenses in the operating budget.

Staff requests board to consider a fair and equitable allocation of these unusual costs. IDA will not benefit from any additional local water from the "Rincon Basin" over its current allocation of 1,350 acre feet under *Strub*. There are precedents for allocating legal expense between the General District & IDA based upon relative benefits.

Yuima Municipal Water District							
Legal Fees - RPMWC v Palomar Mutual (Strub)							
For the Period April, 2013 and projected to June 30, 2014							
					Yuima	IDA	
Fiscal Year	Cal. Appellate Law William N. Hancock	Kidman Law	Jeff Scott	Total			
2012/13							
April		43,850.00	6,123.50	49,973.50			
May		72,350.00	15,077.50	87,427.50			
June		49,620.00	8,954.00	58,574.00			
Total 2012/13		165,820.00	30,155.00	195,975.00	105,007	90,968	
2013/14							
July	*	172,674.19	18,685.00	191,359.19			
August	CONTACT 8/13/13	65,418.98	5,790.50	71,209.48			
September		27,692.46	1,210.18	28,902.64			
October	16,473.73	35,630.00	4,680.50	56,784.23			
November	21,034.02	29,337.18	2,923.00	53,294.20			
December	29,343.34	10,580.00	2,423.50	42,346.84			
January, 14	42,628.89	43,450.00	3,941.19	90,020.08			
February	48,250.89	33,700.00	13,616.00	95,566.89			
March	45,671.96	17,535.79	10,915.00	74,122.75			
April	<i>projected</i>			80,000.00			
May	<i>projected</i>			80,000.00			
June	<i>projected</i>			57,721.00			
Total for 2013/14	203,402.83	436,018.60	64,184.87	921,327.30	510,357	410,970	
Grand Total	203,402.83	601,838.60	94,339.87	\$ 1,117,302.30	615,364	501,938	
					Yuima	IDA	

YUIMA MUNICIPAL WATER DISTRICT - WATER SALES

Yuima - General District	Calendar Year Ended												
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
	Acre feet												
Consumption													
General District Customers	1570.2	993.3	896.1	950.8	1404.0	1328.9	2036.6	1668.7	1526.3	1989.7	1856.0	2208.6	1543.8
Taps 1-3 (IDA)	2099.0	1960.3	1272.3	1407.9	1713.7	1555.5	3174.4	2478.5	2182.6	2946.7	2046.4	2945.7	2183.2
Tap 4 (IDA)	<u>374.4</u>	<u>384.5</u>	<u>307.1</u>	<u>261.7</u>	<u>302.2</u>	<u>187.0</u>	<u>248.5</u>	<u>160.5</u>	<u>158.1</u>	<u>167.7</u>	<u>225.5</u>	<u>267.2</u>	<u>192.0</u>
Total Consumption	4043.6	3338.1	2475.5	2620.4	3419.9	3071.4	5459.5	4307.7	3867.0	5104.1	4127.9	5421.5	3919.0

Acre Feet Sold in General District (not including IDA taps)		
General District Customers	5 year average	1163
	10 year average	1436

Fiscal Year		Total	Yuima	IDA
Legal Expenditure - RPMWC	2012/13	\$195,975	\$105,007	\$90,968
Legal Expenditure - RPMWC	2013/14	921,327	510,357	410,970
Total		\$1,117,302	\$615,364	\$501,938

Move the Legal From IDA to Yuima only	501,938
Total	\$1,117,302
Transfers from Yuima reserves through 6/30/14	-645,507
Balance to be recovered from Yuima General District Rate	\$471,795

or, possible off-set 47,180 per year using a 10 year period
32.84 per acre foot for 10 years
\$68,352 additional meter revenue in Yuima from IDA

Yuima Municipal Water District – Methodology for Interdepartmental IDA Tap Meters

Background:

Staff is currently looking at all components of revenues derived in each category as we work through a fair allocation of costs to Improvement District A.

Meter Charges:

The Improvement District A has 3 tap meters to Yuima's system. One - 6" and 2 - 10" meters. Improvement District A paid the full cost of the installation of each of their tap meters when they were installed. In addition, IDA pays the full cost of meter repairs and upgrades to their tap meters.

Since IDA's meters are considered interdepartmental they are not charged a Yuima monthly meter charge but they are required to pay the SDCWA - IAC charge based on meter size.

If IDA were to pay a monthly meter charge to Yuima on its 3 tap meters it would cost IDA \$5,696 per month or **\$68,352 per year**. Yuima would take on the cost for the tap meter repairs and maintenance.